

Packsaddle Water Systems, Inc.

P. O. Box 71

Driggs, Idaho 83422

RECEIVED

2015 NOV 30 AM 9:35

IDAHO PUBLIC  
UTILITIES COMMISSION

November 16, 2015

PKS-W-15-01

Idaho Public Utilities Commission  
P. O. Box 83720  
Boise, Idaho 83720-0074

Dear Commission:

Please consider this application for the purchase of the small water company known as Packsaddle Estates Water Corporation by a new non-profit corporation named Packsaddle Water Systems, Inc. Packsaddle Estates Water Corporation has operated the water system for the subdivision named Packsaddle Creek Estates for nearly 40 years. This subdivision is located in Teton County, Idaho. The previous small water company was a for-profit corporation run by a single person, Rea Fulmer. Under this for-profit corporation, the subdivision's water customers had no vote or input concerning the operation of the water system.

A copy of the Articles of Incorporation for the new non-profit corporation filed with the Idaho Secretary of State is enclosed herein. The Secretary of State's certification number for this new corporation is C206084. There are no By-Laws for the non-profit corporation. As you can see, each customer of the new water company is a voting member and the company has a four-member Board of Directors who serve without compensation. Officers also serve without compensation. Since it is a new company, there are no financial statements available.

Rea Fulmer is in poor health and is on a constant oxygen supply. She is mostly confined to her home. She is unable to see to the maintenance and operation of the Packsaddle water system and requested that the residents assume those responsibilities; thus, the need for the formation of the new, democratically-run, non-profit corporation, Packsaddle Water Systems, Inc. The Subdivision has never had a HOA, but this new corporation serves the same functions as a HOA in every significant respect. Rea Fulmer has imparted her knowledge of the operation of this water system to the members of the new corporation who are physically and mentally able to see to its operation. The new corporation has hired an on-call maintenance man with construction, mechanical, electrical and pipe fitting experience. The company that has conducted all major repairs to the system in the past 25 years, Housley Pumps, is still available to the new corporation. Rea Fulmer is also accessible by phone as a consultant.

Enclosed is a copy of the executed Purchase/Sales agreement between the buyer and seller of the subject small water company. Also enclosed is a copy of the Quitclaim Deed transferring the pump house and the land upon which it is situated to the new non-profit corporation. Packsaddle Water Systems, Inc. paid nothing for the assets of the previous owner, as the previous operator was medically

unable to operate the system and wanted to be relieved of the responsibilities. There were no appraisals conducted in conjunction with the sale of this small water company.

Since the officers and Board members of Packsaddle Water Systems, Inc., serve without compensation, 100% of all fees collected from subdivision customers will be used for the operation and maintenance of the water system. This should allow for the growth of a fund for emergencies and capital improvements at the rate of approximately \$500.00 per month. The well automatically keeps an 88,000 gallon reservoir filled at the same level which can be visually inspected. The water demands of the subdivision could be met for four to five days if the pump stopped working. The pump was replaced in March, 2015 after the failure of the previous pump that had lasted 23 years. The pump house is located on the highest ground in the subdivision, so most customers are on a gravity fed line. Our maintenance man, Larry Sanchez, inspects the equipment in the pump house at least twice weekly. He is on call at any time to troubleshoot problems, or to arrange for any repairs that are needed. All customers have been given his name and phone number (208-313-5126). His mailing address is 245 Opal Ave., Driggs, ID 83422. They have also been given the names and phone numbers of the four Board members who will handle customer complaints and accept suggestions. The Board members are as follows:

Glenn Conrad: 3065 S Aspen Drive, Tetonia, ID 83452. (410) 715-8901

Chris Hardin: P. O. Box 1258, Big Piney, WY 83113. (360) 305-7173

Steve Thomas: P.O. Box 33, Tetonia, ID 83452 (307) 752-3154

Gary Wagner: Four Third Street, Colorado Springs, CO 80906. (818) 632-2850

The mailing address for Packsaddle Water Systems, Inc. is P.O. Box 71, Driggs, ID 83422, and the physical address is Lot 63, Block 1, Division 2, Packsaddle Creek Estates, Tetonia, ID 83452. The customer billing and accounting for the non-profit corporation will be handled by Robert Vostrejs, the corporation's treasurer, whose mailing address is P.O. Box 71, Driggs, Id. 83422. He will be maintaining all corporate records.

Enclosed is a copy of a letter sent to all of the water customers of the subject small water company. It was mailed on the same date as this application. All customers have been apprised of the purchase of the water company by the new non-profit corporation. A copy of an earlier letter providing them with the names and phone numbers of the maintenance man and Board members is also enclosed for your review. This letter is dated October 1, 2015.


In September, 2015, an inspection of the subject system was conducted by J. Merrill Hemming, with the Eastern Idaho Public Health Department. The inspection found no significant problems, except for the lack of a water testing and sampling plan. This was promptly remedied as reflected in the enclosed copy of Glen Conrad's letter to Mr. Hemming, dated Sept. 3, 2015. Packsaddle Water systems, Inc., is familiar with the water testing requirements of the Idaho Department of Environmental Quality and is current in its testing. The next sample is not due until the end of December, 2015.

The buyer also is aware that the valuation of the subject water system by this Commission is within the sole discretion of the Commission in accordance with their well-established rules and procedures. The buyer is also aware that the accounting for the water system is in accordance with the Commission's

Uniform System of Accounts and must be maintained on a stand-alone basis separate from any other business activities of the buyer, of which there happens to be none.

I trust that the enclosed materials and the information in this letter fully satisfies the Commission's rules for the approval of the transfer of a small water company. If so, then we would request that you approve said sale, and if appropriate under Idaho Code 61, transfer the CPCN to Packsaddle Water Systems, Inc. However, since the buyer functions as a HOA in all significant respects, and is a "mutual non-profit organization represented by board members in a democratically-run corporation," you may simply approve of the sale without a CPCN transfer. If any further information is needed before a decision can be made by the Commission, please do not hesitate to contact me. I thank you in advance for your time and service.

Sincerely,

A handwritten signature in cursive script, appearing to read "Robert A. Vostrejs".

Robert A. Vostrejs

Treasurer, Packsaddle Water Systems, Inc.

**Packsaddle Water Systems, Inc.**

P. O. Box 71,  
Driggs, ID 83422

208-456-0950

October 1, 2015

Dear Packsaddle Water Customer:

As you may know, a new non-profit corporation, Packsaddle Water Systems, Inc., has been formed to take over the operation of our subdivision's water plant. The assets of the old corporation, Packsaddle Estates Water Corporation, have been transferred to the new corporation.

Under the new corporation, each customer is a member and has a vote on issues raised at meetings called by the Board of Directors. There are currently four Directors: Glenn Conrad – 410-715-8901; Gary Wagner – 818-632-2850; Chris Hardin – 360-305-7173; and Steve Thomas – 307-752-3154. The Articles of Incorporation for Packsaddle Water Systems, Inc., can be viewed at the website of the Idaho Secretary of State, or you can contact me to get a copy e-mailed to you.

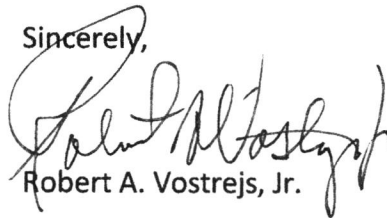
At the first Board of Directors meeting two weeks ago, they contracted with a maintenance man to oversee the system. His name is Larry Sanchez and if you discover any problems with the water system, you should call him at 208-313-5126. In the past few weeks, he has been making needed improvements and performing maintenance on the system before winter arrives. For example: He has installed baseboard heating with a thermostat in the pump house, whereas a space heater was used previously in the winter. Numerous cracks in the building have been filled and squirrels have been trapped and their access holes have been sealed. Debris has been removed from the roof of the reservoir. It has been pressure cleaned, cracks have been sealed; and two coats of flexible roof paint applied. All aspen trees within five feet of the perimeter of the building have been removed. Lights inside the building have been repaired and a new exterior and interior receptacle has been installed. Larry is currently locating all junction boxes in the subdivision and marking them with five foot PVC pipes painted iridescent orange at the top to make them easy to locate. He is inspecting each junction at the same time to make sure that they are accessible and covered for the winter. We have one significant leak at one junction box and are waiting for Housley Pumps to repair that.



My wife and I will be assuming responsibility for billing from this point on. It is quite possible that mistakes could have been made in transitioning the billing information from Rea Fullmer. If the bill you receive is not correct, please contact us immediately at 208-456-0950 or at [packsaddlewatersystem@gmail.com](mailto:packsaddlewatersystem@gmail.com).

We will be trying to save funds through the winter for maintenance and capital improvements next spring. If any of you did not voluntarily contribute to the new pump this past spring, it would help us to receive your contribution of \$250.00. No one under this new management is being compensated for their time or efforts, except our maintenance man and outsiders actually performing repairs on our system.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert A. Vostrejs, Jr.", written in a cursive style.

Robert A. Vostrejs, Jr.

**FILED EFFECTIVE**

AMENDED & RESTATED

ARTICLES OF INCORPORATION

OF

PACKSADDLE WATER SYSTEMS, INCORPORATED

2015 SEP -3 AM 8:34

SECRETARY OF STATE  
STATE OF IDAHO

The undersigned, being of legal age and competent to contract, for the purpose of organizing a non-profit corporation on a non-stock basis pursuant to the provisions of Title 30, Chapter 3, Idaho Statutes, do hereby adopt the following Articles of Incorporation, and do hereby agree and certify as follows:

ARTICLE I

Name

The name of this non-profit corporation shall be Packsaddle Water Systems, Incorporated.

ARTICLE II

Commencement of Corporate Existence

This corporation shall commence existence on the date that the Secretary of State files these Articles of Incorporation and shall have perpetual existence unless sooner dissolved according to law.

ARTICLE III

Purposes

The general purpose of this Corporation shall be to own and operate the private water system of the subdivision called Packsaddle Estates, located on the west side of Teton Valley, Idaho. It is the desire of this corporation to operate said system in a fiscally responsible fashion with all revenues to be dedicated to the operation, maintenance, and improvement of said system.

IDAHO SECRETARY OF STATE

09/03/2015 05:00

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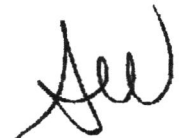
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## ARTICLE IV

### General Powers

Except as may be restricted in Articles III and V herein, this Corporation shall have all of the powers enumerated for corporations in the Idaho Non Profit Corporation Act, as the same now exists and as hereafter amended, and all such other powers as are permitted by applicable law, including, without limitation and only by illustration, the following:

- (a) To have a corporate seal, which may be altered at pleasure, and to use the same by causing it, or a facsimile thereof, to be impressed, affixed, or in any other manner reproduced, provided: however, such seal shall always contain the words "corporation not for profit".
- (b) To purchase, take, receive, lease, take by gift, devise or bequest or otherwise acquire, own, hold, improve, use, and otherwise deal in and with real or personal property or any interest therein, wherever situated.
- (c) To sell, convey, mortgage, pledge, create security interest in, lease, exchange, transfer, and otherwise dispose of all or any part of its property and assets.
- (d) To lend money for its corporate purposes, invest and reinvest its funds, and take and hold real and personal property as security for the payment of funds so loaned or invested.
- (e) To purchase, take, receive, subscribe for, or otherwise acquire, own, hold, vote, use, employ, sell, mortgage, lend, pledge, or otherwise dispose of, and otherwise sell and deal in and with, shares or other interest in, or obligations of, other domestic or foreign corporations, whether for profit or not for profit associations, partnerships or individuals, or direct or indirect obligations of the United States, or of any other government, state, territory, governmental district, or municipality, or of any instrumentality thereof.
- (f) To make contracts and guarantees and incur liabilities, borrow money at such rates of interest as its Board of Directors may determine, issue its notes, bonds, and other obligations, and secure any of its obligations by mortgage or pledge of all or any of its property, franchises, and income.
- (g) To enter into, make, receive assignments of, grant assignments of, and perform contracts of every nature and kind for any lawful purpose.



- (h) To conduct its business, carry on its operations, and have offices and exercise the powers granted by the Idaho Non Profit Corporation Act or by other applicable law within or without the State of Idaho.
- (i) To elect or appoint officers and agents and to defend their duties.
- (j) To make and alter by-laws, not inconsistent with its Articles of Incorporation or with the laws of the State of Idaho, for the administration and regulations of its affairs.
- (k) To dedicate to the public or to any governmental entity or other entity whatsoever for any public or other purpose any of its real or personal property or any interest therein.
- (l) To transact any lawful business which its Board of Directors shall find will be in aid of governmental policy.
- (m) To have and exercise all powers necessary or convenient to effect its general purpose.

## ARTICLE V

### Non Permitted Activities

As a non-profit corporation, the Corporation shall not allow any expenditure of any part of the net earnings of the Corporation to inure to the benefit of any member, director, or officer of the Corporation, nor shall any significant part of the activities of the Corporation be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate or intervene (including the publication and distribution of statements) in the political campaign on behalf of any candidate for public office. The Directors of the corporation shall serve without receiving any pay, salary, or compensation. It is solely their desire to be of service to their neighbors and fellow residents of Packsaddle Estates.

## ARTICLE VI

### Distribution Upon Dissolution

Upon the liquidation, dissolution, or the winding up of the affairs of the Corporation, the assets of the Corporation shall be distributed in accordance with the majority vote of the last serving members of the Board of Directors after all known creditors have been paid.



## ARTICLE VII

### Membership

Each customer of Packsaddle Water Systems, Incorporated, shall be a member of the same. Each member shall have one vote on each issue addressed at a meeting. Votes may be cast in person, or by written proxy, or by e-mail directed to one of the corporate Board of Directors prior to the day of a meeting. A simple majority of those voting on an issue shall prevail.

## ARTICLE VIII

### Meetings

All meetings of corporate members shall be scheduled by the Board of Directors. Notice of all meetings shall be given to members by mail at least 14 days in advance, or by e-mail at least 7 days in advance. A brief statement of the issues to be voted upon at each meeting shall be include in the notice.

## ARTICLE IX

### Initial Registered Office and Agent

The initial registered agent of the Corporation shall be Robert A. Vostrejs, Jr., whose physical address is 3102 Aspen Drive, Tetonia, Idaho, and whose mailing address is P. O. Box 71, Driggs, Idaho 83422.

## ARTICLE X

### Current Board of Directors

This Corporation shall have four (4) directors. The number of directors may be increased from time to time by a majority vote of the directors; however, the number of directors shall never be less than four (4). If a director resigns, all of the remaining directors must agree on a replacement director as soon as possible. All directors serve without any pay, salary, or compensation. The names and addresses of the current directors are as follows:

Glenn Conrad, 3065 Aspen Drive, Tetonia, ID 83452

Gary Wagner, 4 Third St., Colorado Springs, CO 80906

A handwritten signature in dark ink, appearing to be 'GW' or similar initials, located to the right of the director names.

Chris Hardin, P. O. Box 1258, Big Piney, WY 83113

Steve Thomas, P. O. Box 33, Tetonía, ID 83452

The Board of Directors shall have the sole right to schedule member meetings; to propose By-Laws to members at meetings called for that purpose; and to propose rules and regulations applicable to its customers at meetings called for that purpose.

## ARTICLE XI

### Accounting

The billing, financial bookkeeping, and accounting for the corporation shall be the responsibility of Robert A. Vostrejs and Denise B. Vostrejs for as long as they are willing to serve, or until they are replaced by the Board of Directors. Said individuals shall serve without pay, salary, or compensation.

## ARTICLE XII

### Incorporators

The names and addresses of the persons signing these Amended Articles of Incorporation are the initial incorporators:

Robert A. Vostrejs, Jr., P. O. Box 71, Driggs, ID 83422

Denise B. Vostrejs, P. O. Box 71, Driggs, ID 83422

Glenn Conrad, 3065 Aspen Drive, Tetonía, ID 83452

Margaret Conrad, 3065 Aspen Drive, Tetonía, ID 83452

As well as the new Board of Directors:

Glenn Conrad, 3065 Aspen Drive, Tetonía, ID 83452

Gary Wagner, 4 Third St., Colorado Springs, CO 80906

Chris Hardin, P. O. Box 1258, Big Piney, WY 83113

Steve Thomas, P. O. Box 33, Tetonía, ID 83452

Chris Hardin, P. O. Box 1258, Big Piney, WY 83113

Steve Thomas, P. O. Box 33, Teton, ID 83452

### ARTICLE XIII

#### Indemnification

In addition to any rights and duties under applicable law, the Corporation shall indemnify and hold harmless all its directors, officers, employees and agents, and former directors, officers, employees and agents from and against all liabilities and obligations, including attorneys' fees, incurred in connection with any actions taken or failed to be taken by said directors, officers, employees and agents in their capacity as such, except for willful misconduct.

### ARTICLE XIV

#### Amendment

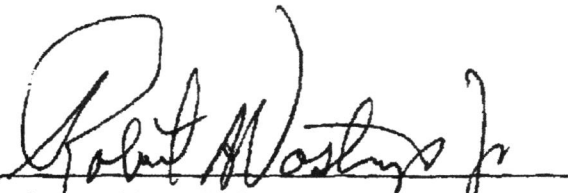
This Corporation reserves the right to amend or repeal any provisions contained in these Amended Articles of Incorporation, or any amendment hereto, subject to the laws of the State of Idaho.

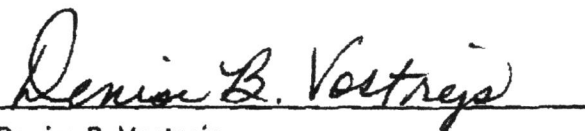
### ARTICLE XV

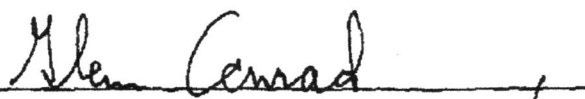
#### Non-Discrimination


This Corporation will have a non-discriminatory policy as to its customers, in that it will not discriminate against the same on the basis of race, color, religion, nationality, or ethnic origin.

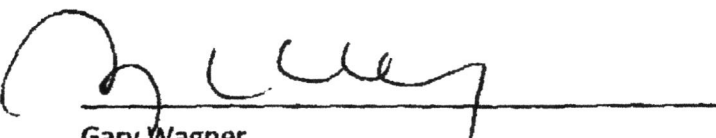
IN WITNESS WHEREOF, the undersigned four, being the incorporators hereinabove named, for the purpose of forming a non-profit corporation pursuant to the laws of the State of Idaho to do business both within and without the State of Idaho, hereby make and file these Amended Articles of Incorporation declaring and certifying that the facts stated herein are true, and hereby subscribe thereto and hereto set their hands and seals this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

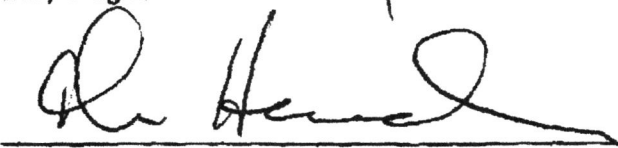
  
Robert A. Vostrejs, Jr.

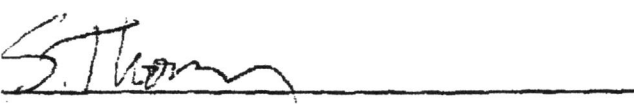
  
Denise B. Vostrejs

  
Glenn Conrad

  
Margaret Conrad

  
Gary Wagner

  
Chris Hardin

  
Steve Thomas



COPY

## PURCHASE AND SALE AGREEMENT

THIS AGREEMENT, made and entered into this 1 day of October 2015, is by and between Packsaddle Estates Water Corporation with an address of P.O. Box 269, Teton, Idaho 83452 ("Seller"), and Packsaddle Water Systems, an Idaho non-profit corporation with an address of P.O. Box 71, Driggs, Idaho 83422 ("Buyer").

WHEREAS, Seller owns and operates a private water system that supplies water to the subdivision residents of Packsaddle Creek Estates (the "Business") at Packsaddle Creek Estates, Subdivision, Teton County, Idaho, as the same appears on the official plat thereof (the "Property,"); and

WHEREAS, Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, substantially all of the assets used or useful in connection with the Business, all as more fully described herein;

NOW, THEREFORE, in consideration of the foregoing promises and the mutual covenants and agreements contained herein, as well as for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

1. Purchase and Sale of Assets. Subject to the terms and conditions set forth herein, at the "Closing," as defined in Section 7 below, Seller will sell, convey, transfer and deliver to Buyer, and Buyer will purchase from Seller, substantially all of the assets of the Business, a list of which is set forth on Exhibit A attached hereto (collectively, the "Purchased Assets").

2. Assumption of Liabilities. Buyer shall not assume any other liability of Seller.

3. Purchase Price. The aggregate purchase price (the "Purchase Price"), to be paid by Buyer to Seller for the Purchased Assets (including the assignment of lease for the Property) shall be an amount equal to Ten and 00/100 Dollars (\$10.00) and shall be allocated among the Purchased Assets as set forth in Exhibit A attached hereto. The Purchase Price shall be payable at the Closing by delivery of the Purchase Price in cash or bank draft or certified check. As further consideration Buyer will take on the responsibility of delivering water to the residents of the Property from hereafter.

4. Representations and Warranties of Seller. Seller represents and warrants to Buyer as follows:

(a) Organization. Seller is a corporation duly formed and validly existing under the laws of the State of Idaho.

(b) Authorization. Seller has all requisite power and authority under the Articles of Incorporation and Bylaws of Packsaddle Estates Water Corporation to carry on the Business as now conducted and to enter into this Agreement and to perform all of Seller's obligations hereunder. This Agreement constitutes the legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms, except as such enforceability may

be limited by laws governing bankruptcy, insolvency, the enforcement of creditors' rights or equitable principles generally.

(c) Effective Agreement. The execution, delivery and performance of this Agreement by Seller does not and will not conflict with, violate or result in the breach of any of the terms or conditions of, or constitute a default under, Seller's Articles of Incorporation or Bylaws, or any law, regulation, ordinance, decree or other restriction to which Seller or its assets are subject.

(d) Title to the Purchased Assets. Seller has good and marketable title to all of the Purchased Assets, subject to no mortgage, pledge, lien, security interest, lease, claim, charge or encumbrance whatsoever. Seller will have and convey to Buyer at the Closing lawful possession and control of, and good and marketable title to, all of the Purchased Assets and a leasehold interest in the Property, subject to no mortgage, pledge, lien, security interest, lease, claim, charge or encumbrance whatsoever.

(e) Condition of the Purchased Assets. All of the Purchased Assets are in AS IS condition and come with no further warranty or guarantee of any kind.

(f) Litigation. There is no action, suit, investigation, arbitration or administrative or other proceeding pending or, to the knowledge of Seller, threatened, against or affecting Seller or the Purchased Assets, before any court, arbitrator or governmental authority. Seller has no knowledge of any valid basis for any such action, proceeding or investigation.

5. Representations and Warranties of Buyer. Buyer represents and warrants to Seller as follows:

(a) Organization. Buyer is a corporation duly formed and validly existing under the laws of the State of Idaho.

(b) Authorization. Buyer has all requisite company power and authority to enter into this Agreement and to perform all of its obligations hereunder. This Agreement constitutes the legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms, except as such enforceability may be limited by laws governing bankruptcy, insolvency, the enforcement of creditors' rights or equitable principles generally.

(c) Effective Agreement. The execution, delivery and performance of this Agreement by Buyer will not conflict with, violate or result in the breach of any of the terms or conditions of, or constitute a default under, the Articles of Organization or Bylaws of Buyer, or any contract, agreement, commitment, indenture, mortgage, pledge, note, bond, license, permit or other instrument or obligation to which Buyer is a party.

6. Closing and Closing Deliveries.

(a) Closing Date. The closing of the transactions contemplated by this Agreement (the "Closing") shall take place on or about October 1, 2015, at the offices of the Moulton Law Office or at such other place or time, or in such other manner, as agreed upon by the parties (the "Closing Date").

(b) Seller's Deliveries. At the Closing, Seller shall deliver to Buyer (i) physical possession of the Purchased Assets, (ii) a Bill of Sale therefor, and (iii) such other instruments of transfer, in such form as shall be reasonably necessary or appropriate to vest in Buyer good and valid title to the Purchased Assets and the Party, free and clear from any and all liens, security interests, and other encumbrances whatsoever.

(c) Buyer's Deliveries. At the Closing, Buyer shall deliver to Seller the Purchase Price in accordance with Section 4 of this Agreement.

(d) Proration of Expenses. There will not be any pro-ration of expenses as the parties have made adjustments to the purchase price that takes into account all expenses.

7. Employee Matters. Seller will remain solely responsible for all claims, liabilities, damages or losses arising from or with respect to the employment of its employees prior to the Closing Date, including without limitation with respect to all salaries and all severance, vacation, medical, sick, holiday, continuation coverage and other compensation or benefits to which employees of Seller may be entitled as a result of their employment by Seller prior to the Closing. All claims and obligations under, pursuant to or in connection with any employee benefit plans of Seller incurred prior to the Closing Date will remain the responsibility of Seller.

9. Indemnification.

(a) Indemnification By Seller. Seller hereby agrees to indemnify and hold Buyer, its officers, directors, shareholders, managers and members, as applicable, harmless from and against any and all losses, claims, damages and liabilities, including but not limited to reasonable attorney's fees and expenses and costs of enforcement of this Agreement, incurred by Buyer which are (i) caused by Seller's breach of any representation, warranty or covenant made by Seller under this Agreement, or (ii) the result of Seller's ownership of the Purchased Assets and/or operation of the Business prior to the Closing Date.

(b) Indemnification By Buyer. Buyer hereby agrees to indemnify and hold Seller harmless from and against any and all losses, claims, damages and liabilities, including but not limited to reasonable attorney's fees and expenses and costs of enforcement of this Agreement, incurred by Seller which are (i) caused by Buyer's breach of any representation, warranty or covenant made by Buyer under this Agreement, or (ii) the result of Buyer's ownership of the Purchased Assets and/or operation of the Business from and after the Closing Date.

10. General Provisions.

(a) Expenses. Whether or not the transactions contemplated hereby are consummated, each party hereto shall bear all of its own expenses. Seller shall be responsible for the legal expenses associated with drafting this Agreement and the costs of closing.

(b) Notices. All notices and other communications which are required or may be given hereunder shall be in writing and shall be deemed to have been duly given (i) when delivered personally, (ii) if sent by facsimile, when receipt thereof is acknowledged by a confirmation copy of the same, (iii) the next business day following the day on which the same

has been delivered prepaid to a nationally recognized overnight courier service, or (iv) if sent by mail, three (3) business days following deposit in the mail as registered or certified, postage prepaid in each case. All such notices shall be addressed to the parties at their respective addresses first set forth above.

(c) Binding Effect; Benefit. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns; provided, however, that nothing in this Agreement, expressed or implied, is intended to confer on any person other than the parties hereto or their respective successors and assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

(d) Severability. In the event that any part of this Agreement shall be held to be invalid or unenforceable, the remaining parts thereof shall nevertheless continue to be valid and enforceable as though the invalid portions were not a part hereof.

(e) Waiver. No delay or failure of either party to exercise any right, remedy or power hereunder shall impair the same or be construed as a waiver thereof. The waiver by either party hereto of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach.

(f) Entire Agreement. This Agreement, together with the Exhibits attached hereto, embodies the entire agreement and understanding of the parties hereto with respect to the subject matter hereof, and supersedes any and all prior agreements or understandings between the parties. This Agreement may be amended only by a writing signed by Buyer and Seller.

(g) Applicable Law. This Agreement shall be governed by, construed, enforced and interpreted in accordance with the laws of the State of Idaho.



(h) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which, when taken together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

PACKSADDLE ESTATES WATER  
CORPORATION

By: Sharon D. Netherscott

Name: Sharon D. Netherscott

Title: personal Rep. of the  
Estates of Earl E. Bainbridge  
& Juanita M. Bainbridge

PACKSADDLE WATER SYSTEMS, INC

By: Robert A. Vostrejs

Name: Robert A. Vostrejs

Title: Treasurer

Exhibit A

Purchased Assets

- 1 - Lot 63, Block 1, Subdivision 2, Packsaddle Creek Estates Subdivision, as per the recorded plat thereof, records of Teton County, Idaho;
- 2 - Any pumps, equipment, well house or water rights associated with the aforementioned Lot 63.
- 3 - 3.79 mi. of underground pipeline (tax deed);
- 4 - \$2,700 surplus from the cost of the pump repair; and
- 5 - \$650.56 in prepaid fees to be credited to customers on account.

### Bill of Sale

KNOW ALL MEN BY THESE PRESENTS, that Packsaddle Estates Water Corporation with an address of P.O. Box 269, Teton, Idaho 83452 ("Seller"), for good and valuable consideration paid to Seller by Packsaddle Water Systems, an Idaho non-profit corporation with an address of P.O. Box 71, Driggs, Idaho 83422 ("Buyer"), the receipt and sufficiency of which is hereby acknowledged, does hereby assign, transfer, convey and deliver to Buyer, its successors and assigns, all of Seller's right, title and interest in and to the Purchased Assets, as such term is defined in that certain Purchase and Sale Agreement, dated October 1, 2015 (the "Purchase Agreement"), by and between Seller and Buyer.

TO HAVE AND TO HOLD THE PURCHASED ASSETS UNTO BUYER AND ITS SUCCESSORS AND ASSIGNS FOREVER.

And said Seller hereby covenants to and with Buyer that Seller (i) has good and marketable title to all Purchased Assets sold, transferred, assigned and conveyed hereunder, subject to no liens, claims, encumbrances or restrictions of any kind, and (ii) has the right, power and authority to, and hereby does, sell, transfer, assign and convey all of the Purchased Assets free and clear of all liens, claims, encumbrances, and restrictions. Seller hereby covenants that it will warrant and defend the same against all lawful claims whatsoever.

All initially capitalized terms used but not defined herein shall have the same meanings ascribed to them in the Purchase Agreement.

This Bill of Sale is further documentation of the assignments, transfers and conveyances contemplated by the Purchase Agreement and is subject to all of the terms, provisions and conditions thereof. To the extent that any term or condition of this Bill of Sale conflicts with any term or condition of the Purchase Agreement, the term and/or condition of this Bill of Sale shall be deemed amended so as to be consistent with the terms and conditions of the Purchase Agreement.

From time to time after the date hereof, Seller shall execute such further documents of transfer, conveyance and assignment with regard to the Purchased Assets as Buyer or Seller deem necessary or desirable in order to document and confirm the transfer and assignment of the Purchased Assets conveyed hereunder.

IN WITNESS WHEREOF, Seller has executed this Bill of Sale as of the 1 day of October, 2015.

PACKSADDLE ESTATES WATER  
CORPORATION

By: Sharon D. Nettercott

Name: Sharon D. Nettercott

Title: Personal Rep of Eave E  
Beimbridge & T. Inc. M

Be Specific Regarding the Grantor so that it is clear whether the property is being transferred by the community or is the sole and separate property of a person.

RECORDING REQUESTED BY AND  
WHEN RECORDED RETURN TO:

Sean R. Moulton  
P.O. Box 631 / 60 E. Wallace Ave.  
Driggs, Idaho 83422

**Instrument # 238392**

TETON COUNTY, IDAHO

10-7-2015 11:12:00 AM No. of Pages: 2

Recorded for : VOSTREJS, ROBERT

MARY LOU HANSEN

Fee: 13.00

Ex-Officio Recorder Deputy

Index to: DEED, QUIT-CLAIM

(Space Above For Recorder's Use)

### QUITCLAIM DEED

For value received Packsaddle Estates Water Corporation ("Grantor"), does hereby release and forever quitclaim unto Packsaddle Water Systems, an Idaho corporation ("Grantee"), whose address is P.O. Box 71, Driggs, Idaho 83422, and its heirs and assigns forever, all right, title and interest which Grantor now has or may hereafter acquire in the following described real property situated in Teton County, State of Idaho:

Lot 63, Block 1, Subdivision 2, Packsaddle Creek Estates Subdivision, as per the recorded plat thereof, records of Teton County, Idaho.

Said parcel being subject to any easements, rights-of-way, covenants, conditions, restrictions, reservations, agreements or encumbrances of sight and/or record.

IN WITNESS WHEREOF, the Grantor has executed this instrument on this 1 day of October, 2015.

PACKSADDLE ESTATES WATER  
CORPORATION

By: Sharon D. Wetmore

Name: Sharon D. Wetmore

Title: Personal Rep. of Estate

E Bainbridge & Juanita M  
Bainbridge - Sole Share hold  
of Packsaddle Estates Water



STATE OF IDAHO )  
 ) ss.  
County of Teton )

On this 1 day of October, 2015, before me Cherise Hibbert, personally appeared SHARON D. NETHERCOTT, known or identified to me (or proved to me on the oath of \_\_\_\_\_), to be the person whose name is subscribed to the within instrument, as Personal Representative of the Estate of Earl E. Bainbridge and as the Personal Representative of the Estate of Juanita M. Bainbridge, which estates are the sole owners of all shares of the Packsaddle Estates Water Corporation and acknowledged to me that she executed the same on behalf of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



Cherise Hibbert  
NOTARY PUBLIC FOR IDAHO  
Residing at Driggs  
My Commission Expires Aug 21, 2019